

Education Cabinet

Kentucky's jobless rate increases to 6.2 percent in May

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Editor's Note: Preliminary May and revised April labor market information are included in this release.

FRANKFORT, Ky. — Kentucky's seasonally adjusted preliminary unemployment rate for May 2008 rose to 6.2 percent from April 2008's revised 5.6 percent, according to the Office of Employment and Training (OET), an agency of the Kentucky Education Cabinet. May 2007's jobless rate was 5.6 percent.

The U.S. seasonally adjusted jobless rate increased from 5 percent in April 2008 to 5.5 percent in May 2008, according to the U.S. Department of Labor.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

"The increase in the civilian labor force reflects the influx of students searching for summer employment as well as individuals compelled to seek work to compensate for rising prices. This surge of entrants and reentrants into the labor force, coupled with the weak economy, is causing individuals to have an extremely difficult time finding a job that matches their skills. The net effect is a significant rise in the unemployment rate," said Justine Detzel, OET chief labor market analyst.

Five of the 11 major nonfarm North American Industry Classification System (NAICS) job sectors reported employment increases in May 2008, while five decreased and one stayed the same, according to OET. An increase of 600 jobs in May 2008 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,879,100. Since May 2007, Kentucky's nonfarm employment has climbed by 10,000.

According to the seasonally adjusted employment data, the government sector, which includes public education, public administration agencies, and state-owned hospitals, added 1,800 positions in May 2008. Since May 2007, this sector has risen by 9,500 jobs.

The manufacturing sector gained 1,100 jobs in May 2008. Compared to May 2007, jobs in the sector were down by 6,000 in May 2008.

"This marks the second time this year that manufacturing employment has risen. The durable goods subsector accounted for these job gains. This employment increase reflects employees at a major manufacturer returning to work after a layoff," Detzel said.

“The year-over-year employment decrease in manufacturing is concentrated in the durable goods subsector but both the nondurable goods and durable goods subsectors experienced extensive employment losses. Consumers are curtailing spending on nonessential items because they are being squeezed by higher gasoline and food prices. In addition, concerns about the fragile economy are causing consumers to be more cautious about purchasing big-ticket items,” she said.

The construction sector recorded 200 more positions in May 2008. Since May 2007, employment in this sector has increased by 1,500 positions. “This is the second consecutive month of employment gains in the construction sector, which is reflective of strength in heavy and civil engineering construction,” said Detzel.

Between April 2008 and May 2008, the number of positions in the natural resources and mining sector rose by 100 jobs. Since May 2007, the segment has gained 200 jobs.

The trade, transportation and utilities sector grew by 100 jobs in May 2008. This area includes retail and wholesale trade, transportation and warehousing businesses, and utilities, and it is the largest sector in Kentucky with 391,100 employees. Since May 2007, the number of jobs in this sector has jumped by 4,900.

“All industries in the sector reported year-over-year job growth, but the largest gain was in retail trade enterprises,” Detzel said.

The information sector held steady from April 2008 to May 2008. This segment, which includes firms involved in publishing, Internet activities, and broadcasting and news syndication, has lost 200 positions since May 2007.

The number of jobs in the professional and business services sector fell by 1,800 in May 2008. This area had 1,300 fewer employees in May 2008 than in May 2007. The professional and business services sector includes professional, scientific and technical services, management of companies, and administrative and support management, including temporary help agencies.

“Administrative and support management businesses accounted for the majority of the month-to-month employment losses in the professional and business services sector, but professional, scientific and technical enterprises also exhibited extensive job losses,” said Detzel.

The number of jobs in the financial activities sector decreased by 400 in May 2008. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has added 800 positions over the past 12 months.

Kentucky’s educational and health services sector lost 300 jobs in May 2008. Since last May, this segment has shrunk by 500 jobs. This sector includes private and nonprofit establishments that provide either education and training, or health care and social assistance to their clients.

The state’s other services sector, which includes such establishments as repair and maintenance businesses, personal and laundry services, religious organizations, and civic and professional organizations, decreased by 200 jobs in May 2008. This area had 200 more jobs in May 2008 than in May 2007.

Kentucky’s leisure and hospitality sector reported an employment loss of 100 jobs in May 2008. Since May 2007, employment in the sector has increased by 900 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations, and food services and drinking places industries.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for May 2008 was 1,919,841 on a seasonally adjusted basis. This figure is down 10,305 from the 1,930,146 employed in April 2008, and down 11,588 from the 1,931,429 employed in May 2007.

The monthly estimate of the number of unemployed Kentuckians for May 2008 was 127,285, up 11,787 from the 115,498 Kentuckians unemployed in April 2008, but up 13,690 from the 113,595 unemployed in May 2007.

The monthly estimate of the number of Kentuckians in the civilian labor force for May 2008 was 2,047,126. This figure is up 1,482 from the 2,045,644 recorded in April 2008, and up 2,102 from the 2,045,024 recorded for May 2007.

Civilian labor force statistics include non-military workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at www.workforce.ky.gov.
A complementary experimental hours and earnings series is available at <http://www.bls.gov/sae/saeapp.htm>.